

RECORDATION NO. 20915-A FILED

ALVORD AND ALVORD
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WASHINGTON, D.C.

OCT 15 '97

2-00PM

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OF COUNSEL
URBAN A. LESTER

October 15, 1997

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of a Net Lease Agreement 199401-RIO, dated as of August 2, 1994, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Rider (RIOR2), which was previously filed with the Board under Recordation Number 20915.

The names and addresses of the parties to the enclosed document are:

Lessor: The Andersons
P.O. Box 119
Maumee, Ohio 43537

Lessee: Rio Grande Chemical Sales Co.
901 Lindberg Avenue
McAllen, Texas 78502

A description of the railroad equipment covered by the enclosed document is:

fourteen (14) cars set forth on Exhibit A to the Net Lease Agreement

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BOARD

Vernon A. Williams
October 15, 1997
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Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "R. Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

OCT 15 '97

2-00 PM

This Lease, made this 2nd day of August, 1994, by and between The Andersons, with its principal office at 480 West Dussel Drive, Maumee, Ohio 43537, (hereinafter "Lessor"), and Rio Grande Chemical Sales Company, with its principal office at 901 Lindberg Avenue, McAllen, TX 78502, (hereinafter "Lessee").

W I T N E S S E T H

ITEM 1. LEASE. This is a net lease. Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, upon the terms and conditions set forth herein, the railway cars described in Equipment Lease Rider(s) which may from time to time be added to this Lease by agreement of Lessor and Lessee. (Such cars are referred to herein as the "Cars" or "Car".) This Lease will be effective from the date set forth above.

ITEM 2. LESSOR. This Lease shall be construed on a car-by-car basis. Lessor shall have responsibility as Lessor hereunder only with respect to Cars leased under Equipment Lease Rider(s) added hereto which have been executed by it as Lessor. In the event any term or provision of this Lease shall be inconsistent with any term or provision of any Rider hereunder, then in that event the Rider shall be controlling.

ITEM 3. RENTAL CHARGES. The monthly rental rate for each Car shall be that specified in Rider with respect to such Car. Except as otherwise provided herein, Lessee shall pay the Lessor such rental specified in such Rider from the date the Car is delivered to Lessee pursuant to ITEM 5 to the date the Car is returned to Lessor in the manner provided in ITEM 7.

Lessee acknowledges and agrees that Lessee's obligation to make all payments hereunder, and the rights of Lessor in and to all such payments, shall be absolute and unconditional and shall not be subject to any abatement of rent or reduction thereof, including, but not limited to, abatements or reductions due to any present or future claims of Lessee against Lessor, the manufacturer of the Cars, or any party under common ownership or affiliated with Lessor, by reason of any defect in the Cars, the condition, design, operation or fitness for use thereof, or by reason of any failure of Lessor to perform any of its obligations hereunder, or by reason of any other cause. It is the intention of the parties hereto that the rent payable by Lessee hereunder shall continue to be payable in all events and in the manner and at the times herein provided unless the obligation to pay shall be suspended or terminated pursuant to the provisions of this Lease.

ITEM 4. TERM. The pro-rata rental for each Car shall be that specified in Rider with respect to such Car and shall commence on the date of arrival of the Car in the delivering railroad yard of Lessee's designated point of receipt. The "Effective Date" of each Rider shall be the first day of the month following the date of delivery of the final Car on such Rider, and shall continue in effect for a period as specified by such Rider after the Effective Date, and month to month thereafter cancelable upon thirty (30) days written notice by either party. The expiration of this Lease with respect to a Lessee is defined to be the date of termination of the final Rider applicable to such Lessee. Notwithstanding the expiration or termination of this Lease, the obligations of Lessee hereunder shall continue in effect with regard to each Car until returned to possession of Lessor.

ITEM 5. DELIVERY. Each of the Cars shall be delivered to Lessee at the delivery point designated by Lessee, at sole cost of Lessor. The obligation of Lessor to furnish Cars shall be subject to all causes reasonably beyond the control of Lessor, including, but not limited to delays caused by fire, labor difficulties, delays of carriers and materialmen or governmental authority. Lessor shall not be liable for any damages by reason of any such delay, and such delay in delivery shall not affect the validity of this lease.

ITEM 6. PAYMENT.

(a) Lessee shall pay in advance on the delivery of each Car, respectively, for the period intervening the date of delivery and the first of the next succeeding calendar month. Rent shall be payable on the first day of each month for the term of the Lease. Lessee shall pay only the pro-rata portion of such monthly charge attributable to any fractional month accruing at the beginning or the termination of this Lease. Lessor shall send invoice in advance of the calendar month for all subsequent months, but Lessor's failure to send such invoice shall not relieve Lessee of its obligation to pay rent hereunder. Lessee agrees to pay said rental and service charges in U.S. funds to Lessor at its principal office or as specified in such applicable invoice. Payments are deemed paid when received by Lessor.

(b) If any installment of rent owing under the Lease shall not be paid when due and shall remain unpaid for ten (10) days, Lessee shall pay Lessor a late charge equal to five percent (5%) of the amount delinquent, but in no event at a rate greater than limited by any applicable law. Such late charges are in addition to and not in lieu of other rights and remedies Lessor may have.

ITEM 7. RETURN OF THE CARS.

(a) Subject to the option to purchase provided in the Rider, on the expiration or termination of the term of this Lease, for any reason, Lessee shall assemble all the Cars at Lessor's Maumee, Ohio shop or at such other mutually agreed upon designated shop, and within ten (10) days of each Car's arrival, Lessor and Lessee shall jointly inspect the Cars to determine if each Car is clean and free of commodities or residue and complies with the AAR Interchange Rules and FRA Rules and Regulations as provided in ITEM 10a and 10b hereof. The cost of this redelivery shall be borne by Lessee, except that Lessor shall use its best efforts to reduce the transportation cost for such redelivery.

(b) If any Car does not comply with the standards set forth in ITEM 7a hereof, normal wear and tear excepted (excluding loading and unloading devices), Lessee shall promptly correct any such deficiency, at Lessee's sole cost and expense, and Lessor and Lessee shall jointly reinspect the Cars Promptly.

(c) Any Car delivered to Lessor hereunder shall have all accessories and parts installed thereon as were installed at the Delivery Date thereof and shall be equipped with all required or permitted modifications made thereto during the term hereof in accordance with ITEMS 10b and 10f hereof.

(d) Lessee shall have a reasonable time to assemble and repair the Cars pursuant to ITEM 7a, 7b, and 7c hereof. However, any Car not available for inspection and in compliance with Interchange Rules and the FRA Rules and Regulations as provided by ITEMS 10a and 10b within one hundred twenty (120) days after the expiration or termination of this Lease shall be subject to holdover rentals starting one hundred twenty (120) days after lease expiration or termination at a rate equal to one and one-half (1 1/2) times the pro-rata daily rate of the rental specified in the Rider applicable to such Cars net per car per month or fair market rental value for the Cars, as reasonably determined by Lessor, whichever is higher. The holdover rentals shall then continue until the subject Cars are available for inspection as provided by in ITEM 7(a) and in compliance with the Interchange Rules and FRA Rules and Regulations as provided in ITEMS 10a and 10b. Such holdover rent shall be paid on demand.

ITEM 8. INSPECTION OF CAR. Each of Cars shall be subject to Lessee's inspection before first loading. The loading of each Car shall constitute acceptance thereof by Lessee, and shall be conclusive evidence (a) of the fit and suitable condition of such Car for the purpose of transporting the commodities then and thereafter loaded therein, and (b) that it is one of the Cars described in this Lease. Lessee shall notify Lessor in writing within five working days after the first loading of each Car of its rejection of any Car and the specific reasons for such rejection. Failure by Lessee to notify Lessor within five (5) working days of the successful loading of any Car by Lessee shall constitute acceptance of the Car by Lessee and shall be conclusive evidence of the fit and suitable condition of the Car. If Lessee rejects any or all Cars, Lessor has the option of making said repairs or deleting any or all Cars from this Lease.

ITEM 9. CLEANING OF CARS. Cars will be delivered suitable for hauling cement and similar purposes and shall be returned in the same condition, normal wear and tear excepted. Any cleaning of Cars that may be necessary to prepare them for shipment of commodities by or for Lessee or any cleaning required prior to repairs or modifications while in Lessee's service shall be done at Lessee's expense and responsibility unless otherwise agreed in writing. At the end of Lease term, if Lessee exercises its option to purchase Cars, Lessee shall not be required to comply with this Item 9.

ITEM 10. MAINTENANCE.

(a) Lessee shall, at its sole cost and expense, maintain the Cars in serviceable condition, free of broken, damaged or missing parts, suitable for the commercial use originally intended, and meeting applicable standards as prescribed by the AAR Interchange Rules and the FRA rules and regulations, and the rules and regulations in force in the location where the Cars are being used.

(b) (1) Lessee agrees to comply, at its sole cost and expense, with all applicable laws, regulations, directives, statutes, ordinances and rules, including, without limitation, the rules of the FRA, the Interstate Commerce Commission ("ICC") and the AAR Interchange Rules and the rules and regulations of the Environmental Protection Agency (including state agencies thereof or other agencies serving a similar purpose), and the rules and regulations in force in the location where the Cars are being used, with respect to the use and maintenance of each Car. If any equipment, part or appliance in or on any Car is altered, added to, replaced, changed or otherwise modified ("Modification" or collectively "Modifications") in order to comply with any such laws, regulations, directives, statutes, ordinances or rules, Lessee shall make such Modifications at its own cost and expense and, notwithstanding any other provision of this Lease, title thereto shall thereupon immediately vest in Lessor. (2) In the event the useful life as defined by generally accepted accounting standards of any such modification is longer than the lease term, the costs of such modifications shall be prorated between Lessor and Lessee with Lessor reimbursing Lessee for the costs of the useful life which exceed the lease term. (3) However, if such Modifications, which shall be required to be made before the expiration of this Lease, involve costs and expenses with respect to each Car in excess of the Stipulated Loss Value set forth in Exhibit B to the applicable Rider in effect on the Early Termination Date (as defined below) with respect of that Car, Lessee may early terminate this Lease on the first day of the second month (the "Early Termination Date") after it has: (i) provided Lessor with (a) written notice of its intention to terminate this Lease with respect to such Car and (b) a written estimate of an independent and reputable third party of such costs and expenses, and (ii) paid all amounts due to Lessor up to the Early Termination Date. On such Early Termination Date, Lessee shall return such Car to Lessor in accordance with ITEM 7 hereof (except to the extent of making the Modifications giving rise to such termination).

(c) Lessee shall pay for any and all materials and other supplies required for the operation of the Cars.

(d) Lessee shall keep and maintain and make available to Lessor all records of Lessee's use, operation, inspection, repairs and maintenance of the Cars. Lessor, at Lessor's expense, may inspect any Car at any reasonable time on request to Lessee.

(e) Lessee may not make Modifications to the Cars without Lessor's prior written consent, except to comply with ITEMS 10a and 10b hereof.

ITEM 11. CASUALTIES AND REPORTS

(a) Lessee shall be solely responsible for any loss, theft, condemnation or damage to any Car. If a Car is lost, stolen, condemned or damaged beyond repair or is otherwise not useful for any purpose, then Lessee shall, not later than the next rental payment after any such occurrence, or if this Lease has expired or been terminated, on demand, but in either case, no later than thirty (30) days after such expiration or termination, as the case may be, pay Lessor or cause Lessor to be paid the Stipulated Loss Value, computed as of the rent payment date immediately prior to such loss, theft, condemnation or other damage, for each such Car or if the Stipulated Loss Value becomes payable on the Delivery Date for such Car, then the Stipulated Loss Value set forth in Exhibit B to the applicable Rider hereto opposite the first rent payment date for such Car, shall apply. On receipt of such payment and all other amounts due under this Lease, rental shall cease with respect to such Car. Title to such Car shall be transferred to Lessee, "AS IS, WHERE IS" without recourse to or warranty of Lessor, on receipt of such payment and amounts by Lessor.

(b) Lessor, its agents and employees shall have the right to enter upon Lessee's premises and to exercise Lessee's right to inspect the Cars as permitted under any subleases, to inspect and examine the same during normal business hours and at any other times. So long as Lessee is not in default, Lessor shall give Lessee not less than seven (7) calendar days notice of such inspection. Lessee shall immediately give Lessor written notice of any damage to or loss to the Cars in excess of five thousand dollars (\$5,000.00) from any cause, including without limitation damage of loss caused by accident, the elements, intentional acts and theft. Such notice shall set forth an itemization of the affected Cars and a detailed account of the event, including names of any injured persons and a description of any damaged property arising from any such event or from any use or operation of the Cars, and of any attempt to take, distraint, levy upon, seize or attach the Cars. All rights granted to Lessor herein are for the benefit of Lessor and shall not be construed to impose any obligation on Lessor, whether or not Lessor makes any inspections or receives any reports.

(c) If during the term of this Lease any Car is seized by a governmental authority for a period less than the then, unexpired term of this Lease, this Lease shall continue in full force and effect as if such taking had not occurred and rent hereunder shall not be diminished or abated. Provided that no default or event of default (as defined in ITEM 24 hereof) exists and is continuing, Lessee shall be entitled to receive and retain any award paid by the seizing governmental authority as compensation for the interruption of Lessee's leasehold interest in such Car. If a default or event of default so exists and is continuing, Lessor shall receive any award as security for performance of this Lease, which award may be applied by Lessor to amounts due or to become due hereunder.

ITEM 12. LESSEE IMPROVEMENTS. All additions and improvements to any Car made at Lessee's request, including without limitation, parts, accessories, linings, coatings and modifications, shall be considered accessions to such Car, and title thereto shall immediately vest in Lessor without cost or expense to Lessor. If requested by Lessor, Lessee shall, at Lessee's expense, remove any such additions or improvements prior to the return of any Car. At the end of Lease term, if Lessee exercises its option to purchase Cars, Lessee shall not be required to comply with this Item 12.

ITEM 13. SUBSTITUTION OF CARS. If any Cars shall be completely destroyed, or if physical condition of any Car shall become such that such Car cannot be operated in railroad service as determined by the parties and/or any railroad, then Lessor may cancel this Lease as to such Car as of the date on which such event occurred, or may agree to substitute another Car of approximately the same type and capacity within a reasonable period of time not to exceed forty-five (45) days unless otherwise agreed and, in the event of such substitution, the substituted Car shall be held pursuant to all terms and conditions of this Agreement and the Rider hereto governing the Car which is unavailable for service. Should any of the Cars become unavailable for use pursuant to this Agreement for any other reason, Lessor and Lessee shall agree to substitute another Car of approximately the same type and capacity within a reasonable period of time, not to exceed forty-five (45) days unless otherwise agreed, and in the event of such substitution, the substituted Car shall be held by Lessee pursuant to all the terms and conditions of this Agreement and Rider hereto governing the Car which is unavailable for service. Furthermore, in case of a substitute Car, rental on the substitute Car should not begin until Lessee has inspected and accepted such substitute Car and such has been delivered, at Lessor's expense, to the Texas/Mexico border.

ITEM 14. LIMITATIONS ON USE.

(a) Lessee agrees to the best of its ability, to use the Cars exclusively in Lessee's or Lessee's sublet service within the boundaries of the continental United States, Mexico and Canada and to make no transfer or assignment of this Lease. In the event any Car is used in Mexico and/or Canada, Lessee agrees to bear full responsibility for, to defend and to reimburse Lessor for any loss, damage, and/or cost and expenses suffered by Lessor, or claim against Lessor for all cost and expenses, including legal costs and attorney's fees arising in any way from such Car's movement, outside the boundaries of the continental United States.

(b) Lessee shall not use or permit any Car to be used in an improper or unsafe manner, in violation of any contract of insurance applicable to the Car or in violation of any applicable law, regulation, directive, statute, ordinance or rule.

(c) Lessee agrees not to load any of the Cars in excess of the load limit stenciled thereon. Lessee will not permit its rights or interest hereunder to be subject to any lien, charge or encumbrance and will keep the Cars free and clear of any and all liens, charges, encumbrances and adverse claims (except those arising from acts of Lessor).

ITEM 15. GOVERNMENTAL AND INDUSTRIAL REGULATIONS.

(a) Lessee agrees to comply with all applicable governmental laws, rules, regulations and requirements and with the Interchange Rules of the AAR with respect to the use or the operation of each of the Cars during the term of this Lease.

(b) During the time period this Lease is in effect, no Car shall be loaded with or used to transport any hazardous material as hazardous materials are defined in any federal, state or local environmental law or regulation, including but not limited to, OSHA's Hazard Communication Standard 29 CFR 1910.1200, EPA's Resource Conservation and Recovery Act Standards 40 CFR 260-263 and the Clean Water Act 40 CFR 116-117. Further, no Car shall be used in violation of any applicable federal, state or local environmental law or regulation. If the use of any Car violates any of the foregoing provisions, Lessee agrees that it shall indemnify and hold Lessor harmless from all claims, liabilities, losses, damages, costs and expenses (including attorney's fees and the expenses of litigation) arising out of such use of any Car.

ITEM 16. SUBLEASE AND ASSIGNMENT. Lessee shall not loan or sublet any Car or transfer or assign any of its interests or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of Lessor, except that Lessee may load or sublet Cars to (i) its affiliated companies, or (ii) its consignees or suppliers in connection with the handling of commodities sold, bought or supplied for the account of Lessee and transportation therein. No sublease, assignment or transfer of any Car or any interest in this Agreement shall relieve Lessee of any of its obligations hereunder.

ITEM 17. ADDITIONAL CHARGES BY RAILROADS. Lessee agrees to use Cars, upon each railroad over which Cars shall move, in accordance with the then prevailing tariffs to which each such railroad shall be a party. If the operations or movements of any of Cars during the term hereof shall result in any charges being made against Lessor by any such railroad, Lessee shall pay Lessor for such charges within the period prescribed by and at rates and under the conditions established by said then prevailing tariffs. Lessee agrees to indemnify Lessor against same and shall be liable for any switching, demurrage, track storage, or detention charge imposed on any of Cars during the term hereof.

ITEM 18. USE OF CARS UNDER AAR CIRCULAR OT-5. Whenever approval of the originating line haul carrier(s) is required in order that Cars may be placed in service pursuant to AAR Circular OT-5 and any revisions or successors thereto, Lessor shall, upon written request of Lessee, use reasonable efforts to aid Lessee in obtaining such approval. In no event shall Lessor be liable if any such approval is not obtained for any reason or is withdrawn or modified, and this Lease shall continue in full force and effect notwithstanding such withdrawal or modifications or the failure to obtain such approval.

ITEM 19. ALTERATION AND LETTERING. Lessee will preserve Cars in good condition, normal wear and tear excepted, and will not in any way alter the physical structure of Cars without the advance approval in writing of Lessor. Lessee shall place no lettering or marking of any kind upon Cars without Lessor's prior written consent, except that for the purpose of evidencing the operations of Cars in Lessee's service hereunder, Lessee will be permitted to board and placard or stencil Cars with letters according to AAR Standards.

ITEM 20. DAMAGE TO OR BY COMMODITIES. Lessor shall not be liable for any loss of or damage to any commodities or any part thereof loaded or shipped in Cars, regardless of how such loss or damage may be caused, unless such results from Lessor's breach of its warranties, as set forth herein. Lessee shall indemnify Lessor against and hold Lessor harmless from all claims, liabilities, losses, damages, costs and expenses (including attorney's fees and expenses or litigation) arising out of or resulting from the loss of or damage to any such commodity or the loading, unloading, spillage, leakage, emission or discharge of commodity in or from Cars, including without limitation any liability for injury, death, property damage or environmental pollution. Lessee hereby expressly agrees that Lessor shall not be liable for any incidental or consequential damages of any kind whatsoever, incurred by Lessee or any other person or entity, resulting directly or indirectly from this Agreement.

ITEM 21. TAXES.

(a) Lessee shall pay or reimburse Lessor for the payment of all taxes, fees, assessments and other governmental charges of whatsoever kind or character and by whomsoever payable on or relating to any Cars or the sale, purchase, use, value, value added, ownership, possession, shipment, transportation, delivery or operation thereof or the exercise of any option, election or performance of any obligation by Lessee hereunder, which may accrue or be levied, assessed or imposed during the Term or which remain unpaid as of the date of surrender of such Car to Lessor, and all taxes of any kind imposed by any federal, state, local or foreign taxing authority against Lessor on or measured by any amount payable by Lessee hereunder, including, without limitation, all license and registration fees and all sales, use, value, ad valorem, personal property, excise, gross receipts, stamp or other taxes, imposts, duties and charges together with any penalties, fines or interest thereon, except taxes of Lessor on net income imposed by the United States or any state. Notwithstanding the foregoing, Lessee will not be liable for any taxes, fees, assessments and other government charges of whatsoever kind or character which accrued prior to the beginning of the Lease term for the respective Car. Furthermore, Lessor will also be responsible for any penalties, fines, interest or other charges related to such or on net income imposed by the United States or any state. Additionally, Lessor will indemnify, defend and hold Lessee harmless from any claims related to such. Lessee shall reimburse Lessor for any payments made by Lessor which are the obligation of Lessee under the Lease, but Lessee shall not be obligated to pay any amount under this ITEM so long as it shall in good faith and by appropriate proceedings contest the validity or the amount thereof, unless such contest would adversely affect the title of Lessor to any Cars or would subject any Car to forfeiture or sale. Lessee shall indemnify Lessor on an after-tax basis against any loss, claim, demand and expense, including legal expense, resulting from such nonpayment or contest and further agrees to indemnify Lessor against any and all taxes, assessments and other charges imposed upon Lessor under the laws of any federal, state, local or foreign government or taxing authority, as a result of any payment made by Lessee pursuant to this ITEM.

Whenever this lease terminates as to any Car, Lessee will, on request, advance to Lessor the amount estimated by Lessor to equal personal property taxes on the Car which are not yet payable but for which Lessee will afterward become liable hereunder; Lessor will account to Lessee for such advances. On request of either Lessor or Lessee, the other will submit written evidence of all payments required of it under this ITEM 21.

(b) Lessee shall indemnify Lessor against any and all taxes, assessments and other charges imposed upon Lessor under the laws of any federal, state, local or foreign government or taxing authority, as a result of any payment made by Lessee pursuant to this ITEM 21.

ITEM 22. SUBORDINATION. All rights of Lessor hereunder may be assigned, pledged, mortgaged, transferred, or otherwise disposed of, either in whole or in part, and/or Lessor may assign, pledge, mortgage, transfer or otherwise dispose of title to the Cars without notice to Lessee. In the event of any such assignment, pledge, mortgage, transfer or other disposition, this Lease and all of Lessee's rights under this Lease and all rights of any person, firm or corporation who claims or who may hereafter claim any rights under this Lease and all rights of any person, firm or corporation who claims or who may hereafter claim any rights under this Lease under or through Lessee are hereby made subject and subordinate to the terms, covenants, and conditions of any chattel mortgages, security agreements, conditional sale agreements, and/or trust agreements covering Cars or any of them heretofore or hereafter created and entered into by Lessor, its successors or assigns, and to all of the rights of any such chattel mortgagee, assignee, trustee, secured party, or other holder of the legal title to Cars, however, so long as Lessee is not in default under this Lease, such assignment, pledge, mortgage, transfer, or other disposition shall not change Lessee's obligations hereunder or result in deprivation of its quiet enjoyment of Cars. At the request of Lessor or any chattel mortgagee, assignee, trustee, secured party, or other holder of the legal title to Cars, Cars may be lettered or marked to identify the legal owner of Cars at no expense to Lessee. If during the continuance of this Lease, any such marking shall at anytime be removed or become illegible, wholly or in part, Lessee shall immediately cause such marking to be restored or replaced at Lessor's expense.

ITEM 23. INSURANCE AND INDEMNITY. Lessee will indemnify Lessor, The Andersons Management Corp., and their related business, their partners, officers, agents, employees of agents, employees, successors and assigns, against and hold Lessor harmless from any loss, damage, claim, expenses (including attorney's fees and expenses of litigation), or injury imposed on, incurred by, or asserted against Lessor arising, directly or indirectly, out of Lessee's use, lease, possession or operation of Cars occurring during the term of this lease, or by the contents of such Cars, howsoever occurring except any loss, liability, claim, damage, or expense which is directly attributable to the sole fault or neglect of Lessor, or for which a railroad or railroads have assumed full responsibility. All indemnities contained in this Lease shall survive the termination hereof, however same shall occur.

(a) At its own expense, Lessee shall, throughout the term of this Lease and until the last Car is returned to Lessor, maintain all risk property insurance in the greater of the values set forth in Exhibit B to the applicable Rider an amount not less than 100% of the insurable value of the cars on a replacement cost basis. Lessee's policy shall be primary and without contribution by Lessor. Lessee shall name "The Andersons, The Andersons Management Corp. and their related businesses" as loss payee on such property insurance.

The proceeds of such insurance will be applied first to any unpaid obligations of Lessee under this Lease arising prior to the receipt of the proceeds and then toward the restoration or repair of the Cars or if Lessor determines that any item of Car is lost, stolen, destroyed, or damaged beyond repair toward payment of the amounts required. Any excess proceeds remaining thereafter will be paid to Lessee, provided Lessee is not then in default under this lease. So long as no event of default has occurred hereunder, any interest earned on any insurance proceeds between the time of receipt of such insurance proceeds and the replacement of the insured Cars suffering an insurance loss will be paid or credited to the Lessee.

(b) Lessee shall maintain Commercial General Liability insurance with minimum limits as set forth below:

General Aggregate: \$1,000,000.00 (one million dollars)

Per Occurrence Aggregate: \$1,000,000.00 (one million dollars)

Products/Completed Operations Aggregate: \$1,000,000.00 (one million dollars)

Lessee shall maintain excess liability with minimum limits of \$10,000,000.00 (ten million dollars). Lessee shall name "The Andersons, The Andersons Management Corp., and their related businesses" as additional insured on such policies. After the occurrence of an event of default and expiration of all applicable notice, grace and cure periods, the proceeds of all such insurance will be payable first to Lessor to the extent of its liability, if any, and the balance to Lessee.

(c) All policies shall be maintained at Lessee's expense. If Lessee fails to procure, maintain and pay for the insurance coverage set forth above, Lessor will have the right, but not the duty, to obtain such insurance on behalf of and at the expense of Lessee. In the event Lessor does obtain and pay for such insurance, Lessee will reimburse Lessor for the costs thereof no later than the date of the next scheduled rental payment under this Lease.

(d) Certificates evidencing such insurance coverage shall be provided to the Lessor prior to the commencement of this Lease and annually upon renewal of the insurance. Certificates shall be sent to: Railcars, Law Department, The Andersons, P.O. Box 119, Maumee, OH 43537.

(e) All policies relating to the insurance referred to in this ITEM shall be in such form and with such companies as are satisfactory to Lessor. After the occurrence of an event of default and the expiration of all applicable notice, grace and cure periods, Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, adjust, settle, receive payment of and execute and endorse all documents, checks or drafts for loss or damage under any such insurance policy.

ITEM 24. EVENTS OF DEFAULT.

(a) Any of the following events shall constitute an Event of Default by Lessee when such is not cured within ten (10) days after notice thereof by Lessor:

(1) The nonpayment by Lessee of any rent or other amount provided for herein after the same is due and payable.

(2) The failure of Lessee to observe, keep or perform any other provisions of this Lease required to be observed, kept or performed by Lessee.

(3) The failure of Lessee to make payment when due, or to observe or perform any covenant or agreement contained in, or the occurrence of a default under any agreement evidencing any other obligation of Lessee to Lessor.

(4) The making of any representation or warranty by Lessee herein or in any agreement, document or certificate delivered to Lessor in connection herewith, or any financial statement furnished by Lessee to Lessor which, at any time, proves to be incorrect in any material respect.

(5) Lessee's making an assignment for the benefit of creditors or committing any other affirmative act of insolvency or bankruptcy, filing a petition in bankruptcy or for arrangement or reorganization or having such a petition filed against it if such petition is not dismissed or withdrawn within thirty (30) days.

(6) The attachment of a substantial part of the property of Lessee or appointment of a receiver for Lessee or any substantial part of Lessee's property.

(7) Lessee ceases to do business as a going concern, or if there is a change in the ownership of Lessee which changes the identity of any person or persons having, directly or indirectly, more than 10% of either the legal or beneficial ownership of Lessee.

(8) There shall occur any event which might, in Lessor's reasonable opinion, have a material adverse effect on the Cars or on Lessee's financial strength, condition, operations or prospects.

(9) Any guarantor of Lessee's obligations hereunder denies his or its obligations to guarantee any obligations then existing or attempts to limit or terminate his or its obligations to guaranty Lessee's obligations hereunder.

Lessee also agrees, upon any responsible officer of Lessee becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, to promptly furnish to Lessor written notice specifying such condition and the nature and status thereof. For purposes of this ITEM, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of Lessee contained in this Lease, any corporate officer of Lessee who, in the normal performance of his operational responsibilities, would or should have knowledge of such matter and the requirements of this lease with respect thereto.

(b) Upon the occurrence of any Event of Default, and so long as the same shall be continuing, Lessor shall have the right to declare this Lease in default by a written notice to Lessee to that effect. Upon the making of any such declaration, Lessor shall have the right to exercise any one or more of the following remedies:

(1) To take possession of any and all Cars without further demand or notice wherever they may be located without any court order or process of law (but if Lessor applies for a court order or the issuance of legal process, Lessee waives any prior notice of the making of this application of the issuance of such order of legal process) and Lessee hereby waives any and all damages occasioned by such taking of possession, providing Lessor acts in a commercially reasonable manner; any such taking of possession shall not constitute termination of this Lease as to any or all of Cars unless Lessor expressly so notified Lessee in writing;

(2) To terminate this Lease as to any or all Cars without prejudice to Lessor's rights in respect to obligations then accrued and remaining unsatisfied;

(3) To recover from Lessee (and Lessee agrees to pay in cash the following):

(a) all amounts owed by Lessee to Lessor under this Lease;

(b) an amount equal to the Stipulated Loss Value of all Cars, as set forth in Exhibit B to the applicable Rider, subject to the Lease on the date the written notice of default was sent as set forth above;

(c) the unpaid balance of the total rent for the term of this Lease;

(d) the amount of any sums paid, rebated, or owed to Lessee from railroad companies to any party arising out of the use of railroad track, engines, equipment or otherwise, including but not limited to mileage credits.

(4) To sell any or all the Cars in a public sale or private sale (after notice to Lessee of the place and time for such sales), in bulk or in parcels, for cash or on credit without having Cars present at the place of sale and to recover from Lessee all reasonable costs of taking possession, storing, repairing, and selling the Cars (and for a Period of one hundred twenty (120) days after the occurrence of an Event of Default, Lessor may use Lessee's premises for any or all of the foregoing without liability for rent, costs, or damages or otherwise) or to otherwise dispose, hold, use, operate, lease to others, or keep idle such Cars all as Lessor in its sole discretion may determine and to apply the proceeds to any such action:

(a) To all costs, charges and expenses incurred in taking, removing, holding, operating, repairing, and selling, leasing or otherwise disposing of Cars; then

(b) To the amounts set forth in ITEM (3) and the applicable Rider(s) provided that Lessee shall pay any deficiency due Lessor; and

(c) Any surplus shall be retained by Lessor;

(5) To pursue any other remedy provided for by statute or otherwise available at law or in equity.

Notwithstanding any repossession, or other action which Lessor may take, Lessee shall and remain liable for the full performance of all obligations of the part of Lessee to be performed under this Lease to the extent not paid or performed by Lessee. All such remedies are cumulative and may be exercised concurrently or separately.

In addition to the foregoing, Lessee shall pay Lessor's costs and expenses incurred by reason of Lessee's breach or default which shall include, without limitation, costs and expenses of receiving or retaking possession of the Cars, storing, holding, transporting, insuring, caring for, servicing, maintaining, and renting the Cars and collecting rents and professional fees and expenses with respect to or incurred by reason of the breach or default, including legal fees and expenses for advice and legal services in any actions or proceedings which Lessor may commence or in which Lessor may appear or participate to exercise or enforce any rights or remedies or to protect or preserve any rights or interests, and in all reviews of and appeals from any such actions or proceedings.

ITEM 25.**WARRANTIES.**

(a) Lessor represents and warrants to Lessee that it is a limited partnership duly organized and validly existing under the laws of the jurisdiction of its organization and it is qualified to do business in every jurisdiction where the failure to qualify would have a materially adverse effect on Lessee's rights hereunder; it has taken all partnership action which may be required to authorize the execution, delivery and performance of this Lease and such execution delivery and performance will not conflict with or violate any provision of its Partnership Agreement or result in a default or acceleration of any obligation under any agreement, order, decree or judgment to which it is a party or by which it is bound, nor is it now in default under any of the same; there is no litigation or proceeding pending or threatened against it which may have a materially adverse effect on Lessor or which would prevent or hinder the performance by it of its obligations hereunder; this Lease and the attendant documents constitute valid obligations of Lessor, binding and enforceable against it in accordance with their respective terms; no action by it or with any commission or administrative agency is required in connection herewith; it has the power to own its assets and to transact business in which it is engaged; it will give to Lessee prompt notice of any change in its name, identity or structure.

(b) Lessee represents and warrants to Lessor that it is a corporation duly organized and validly existing under the laws of the jurisdiction of its organization and it is qualified to do business in every jurisdiction where the failure to qualify would have a materially adverse effect on Lessor's rights hereunder; it has taken all corporate action, which may be required to authorize the execution, delivery and performance of this Lease and such execution, delivery and performance will not conflict with or violate any provision of its corporate charter or result in a default or acceleration of any obligation under any agreement, order, decree or judgment to which it is a party or by which it is bound, nor is it now in default under any of the same; there is no litigation or proceeding pending or threatened against it which may have a materially adverse effect on Lessee or which would prevent or hinder the performance by it of its obligations hereunder; this Lease and the attendant documents constitute valid obligations of Lessee, binding and enforceable against it in accordance with their respective terms; no action by it or with any commission or administrative agency is required in connection herewith; it has the power to own its assets and to transact business in which it is engaged; it will give to Lessor prompt notice of any change in its name, identity or structure.

(c) THE LEASE OF EACH CAR IS "AS IS, WHERE IS.", EXCEPT LESSOR WARRANTS THAT LESSOR WILL REPAIR THE CARS TO THE ANDERSONS "Inspection And Repair Requirements For Repairing Cars", LISTED AS EXHIBIT C, THE WARRANTY SET FORTH IN ITEM 25 (c) HEREOF IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF LESSOR WHETHER WRITTEN, ORAL OR IMPLIED, AND LESSOR SHALL NOT BY VIRTUE OF HAVING LEASED THE CARS BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY. LESSEE ACKNOWLEDGES AND AGREES THAT: (A) LESSOR IS NOT A MANUFACTURER OF OR A DEALER IN PROPERTY OF SUCH KIND AS THE CARS; (B) LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT WITH RESPECT TO THE DESIGN, OPERATION, MERCHANTABILITY, CONDITION, QUALITY OR DURABILITY OF THE CARS, COMPLIANCE WITH SPECIFICATION, THEIR SUITABILITY FOR THE PARTICULAR PURPOSES AND USES OF LESSEE, THE PRESENCE OR ABSENCE OF ANY DEFECTS (WHETHER LATENT OR PATENT), THE POSSIBLE INFRINGEMENT OF ANY PATENT OR TRADEMARK, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE CARS; AND (C) LESSOR SHALL NOT BE LIABLE TO LESSEE FOR ANY LIABILITY, CLAIM, LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY CAR OR ANY INADEQUACY THEREOF FOR ANY PURPOSE, ANY DEFICIENCY OR DEFECT THEREIN, THE USE THEREOF, ANY REPAIRS, SERVICING OR ADJUSTMENTS THERETO, OR ANY INTERRUPTION OF LOSS OF SERVICE OR USE THEREOF OR ANY LOSS OF BUSINESS OR FOR ANY DAMAGE WHATSOEVER OR HOWSOEVER CAUSED, as all such risks are to be borne by Lessee. Lessor makes no representation as to the treatment of this Lease, the Cars or the rent for financial reporting or tax purposes. Lessee hereby waives any claim Lessee may have or acquire in the future against Lessor for any loss, damage or expense caused by any Car or any defect therein or the use or maintenance thereof.

ITEM 26.**LESSOR MAY PERFORM.**

If Lessee at any time shall fail to pay to any person any sum which Lessee is required by the Lease to pay or shall fail to do or perform any other thing Lessee is required by the Lease to do or perform, Lessor at its option may pay such sum or do or perform such thing, and Lessee shall reimburse Lessor on demand for the amount of such payment and for the cost and expense which may be incurred by Lessor for such acts or performance, together with interest thereon as set forth in ITEM 29(g). If Lessor at any time shall fail to pay to any person any sum which Lessor is required by the Lease to pay or shall fail to do or perform any other thing Lessor is required by the Lease to do or perform, Lessee at its option may pay such sum or do or perform such thing, and Lessor shall reimburse Lessee on demand for the amount of such payment and for the cost and expense which may be incurred by Lessee for such acts or performance. Furthermore, in the event Lessor fails to reimburse Lessee as set forth above, Lessee may offset such against amounts owed by Lessee to Lessor under this Lease.

ITEM 27. NOTICE. All notices provided for herein, as well as all correspondence pertaining to this Lease, shall be considered as properly given if:

- (a) given in writing and delivered personally or sent by registered, certified or regular mail.
- (b) by telex or cable.
- (c) by telecopy and confirmed thereafter in writing sent by registered, certified or regular mail.

The respective addresses for notice shall be the addresses of the parties given at the outset hereof. Such address may be changed by either party giving written notice thereof to the other party.

ITEM 28. MISCELLANEOUS.

(a) Governing Law. This Agreement shall be governed and construed by the laws of the state of Ohio.

(b) Benefit. Subject always to the foregoing, this Lease shall be binding upon and inure to the benefit of the Lessor, its successors and assigns, and the Lessee, its successors and assigns.

(c) Entire Agreement. This instrument, constitutes the entire agreement between Lessee and Lessor and it shall not be amended, altered, or changed except by written agreement signed by the parties hereto.

(d) Severability. If any of the provisions of this Agreement shall contravene, or be invalid under the laws of the state of Ohio, such contravention or invalidity shall not invalidate this entire Agreement, but this Agreement shall be construed as if not containing the particular provision or provisions held to be invalid, and the rights and obligations of the parties shall be construed and enforced accordingly.

(e) Financial Statements. During the Term Lessee: (a) shall furnish Lessor annual balance sheets and profit and loss statements of Lessee and any guarantor of Lessee's obligations accompanied, at Lessor's request, by the audit report of an independent certified public accountant acceptable to Lessor, and (b) at Lessor's request, shall furnish Lessor all other financial information and reports reasonably requested by Lessor at any time, including quarterly or other interim balance sheets and profit and loss statements of Lessee and any such guarantor. Lessee shall furnish such other information as Lessor may reasonably request at any time concerning Lessee and its affairs. Lessee warrants that all information furnished and to be furnished to Lessor is accurate and that all financial statements it has furnished and hereafter may furnish Lessor, including operation statements and statements of condition, are and will be prepared in accordance with generally accepted accounting principles, consistently applied, and reasonably reflect and will reflect, as of their respective dates, results of the operations and the financial condition of Lessee and of any other entity they purport to cover. All such information shall be kept confidential by Lessor.

(f) Filings; Power of Attorney. Lessee, at Lessor's expense, will execute and deliver to Lessor at Lessor's request all financing statements, continuation statements, and other documents that Lessor may reasonably request, in form satisfactory to Lessor, to perfect and maintain Lessor's interest in the Cars and to fully consummate all transactions contemplated under this Agreement. After the occurrence of a Default and the expiration of all applicable notice, grace and cure periods, Lessee by this Agreement will irrevocably make, constitute and appoint Lessor (or any of Lessor's officers, employees or agents designated by Lessor) as Lessee's true and lawful attorney with power to sign the name of Lessee on any such documents. This power, being coupled with an interest, will be irrevocable until all obligations of Lessee to Lessor have been fully satisfied.

(g) Late Payments. Interest at the rate of one and one-half percent (1½%) per month or the maximum rate permitted by law, whichever is less, shall accrue on the amount of any payment, other than rent, not made when due hereunder from the date thereof until payment is made, and Lessee shall pay such interest to Lessor, on demand.

(h) Covenants. All covenants of Lessee and Lessor herein shall survive the expiration or termination of this Lease to the extent required for their full observance and performance.

(i) Waivers. No delay or omission to exercise any right, power or remedy accruing to Lessor upon any breach or default of Lessee hereunder shall impair any such right, power or remedy nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein or of any similar breach or default thereafter occurring, nor shall any waiver of any single breach of default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of Lessor of any breach or default under this Lease must be in writing specifically set forth.

(j) Jurisdiction. Lessee agrees that the state and federal courts in the state of Ohio or any other court in which Lessor initiates proceedings have exclusive jurisdiction over all matters arising out of this Agreement.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed and delivered the day and year first above written.

Lessor

Lessee

THE ANDERSONS,
an Ohio Limited Partnership

Rio Grande Chemical Sales Company

By: THE ANDERSONS MANAGEMENT CORP.,
an Ohio Corporation, Sole General
Partner in The Andersons

By: 

Title: Vice President Corporate Services

Date: 8-12-94

By: 

Title: President

Date: 8/22/94

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Rio Grande Chemical Sales Company
RIDER 199401-RIOR1

This Rider to the Lease Agreement made as of August 2, 1994 between The Andersons ("Lessor") and Rio Grande Chemical Sales Company ("Lessee") is made on August 2, 1994.

Lessor and Lessee agree as follows:

1. All terms defined in the Agreement shall have the meanings as defined therein when used in this rider.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Rider. Lessee has Lessor's permission to place Lessee's reporting marks "RGCX" on the Cars.

14-Car Numbers: See Attached Exhibit "A".

3. The term of the Agreement with respect to each Car described in this Rider shall commence on date of receipt of the corresponding Car by Lessee at Eagle Pass, TX and shall continue as to all of the Cars described in this Rider until October 31, 2004, or until Car(s) are classified as Rule 90 under AAR Interchange Rules. Lessee shall have the option to cancel this Agreement on any Car not delivered by November 1, 1994.
4. The fixed rent shall be Two Hundred Ninety dollars (\$290.00) per Car per month for each full calendar month. The pro-rata rental rate for any Car not subject to an entire month shall be Nine dollars and Fifty Three cents (\$9.53) per day for such Car during such month.
5. Rio Grande Chemical Sales Company has The Andersons permission to sublease all of the Cars on this Rider 199401-RGR1 to: Cementos Apasco, S.A. De C.V., Campos Eliéso, 345 Piso 18, Mexico, D.F. 11560. The insurance and indemnity provisions in Item 23 may be transferred to Cementos Apasco, S.A. De C.V.
6. Purchase Option: Lessee shall have the option to purchase the fourteen (14) Cars, in whole at a price of Two Thousand Five Hundred Dollars, (\$2,500.00), in U.S. funds, each for a total amount of Thirty-Five Thousand Dollars (\$35,000.00), in U.S. funds, on an "as is", "where is" basis subject to the following terms and conditions.
 - A. In order to exercise option, Lessee must make a non-refundable deposit of Three Thousand Five Hundred Dollars (\$3,500.00) in U.S. funds, to The Andersons by the end of the business day on April 31, 2004. This amount will be applied to the purchase price of the Cars at closing.
 - B. If Lessee does not make said deposit by April 31, 2004, then Lessee forfeits the option to purchase the Cars.
 - C. If Lessee makes the deposit of Three Thousand Five Hundred Dollars (\$3,500.00) in U.S. funds and does not complete the purchase of the Cars by October 31, 2004, then Lessee will forfeit both the right to purchase the Cars and the deposit. The Andersons will be free to market the Cars at their discretion.

Lessor

THE ANDERSONS,
an Ohio Limited Partnership

By: THE ANDERSONS MANAGEMENT CORP.,
an Ohio Corporation, Sole General
Partner in The Andersons

By: 

Title: Vice President Corporate Services

Date: 8-12-94

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Lessee

Rio Grande Chemical Sales Company

By: 

Title: President

Date: 8-22-94

CERTIFICATE OF INCUMBENCY

The undersigned, being the Secretary and custodian of the official records of The Andersons, Inc., a corporation duly organized under the laws of the state of Ohio, does hereby certify that the following individual is currently serving in the office or position shown across from his name and that the attached is a true and accurate copy of, Net Lease Agreement #199401-RIO, and the signature shown thereon is true and accurate, to the best of the undersigned's knowledge and belief:

Vice President Corporate Services

Dale W. Fallat

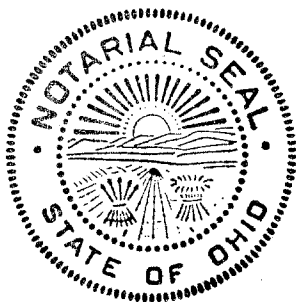
THE ANDERSONS, INC.

By: Beverly J. McBride
Beverly J. McBride, Secretary

STATE OF OHIO)
COUNTY OF LUCAS) ss:

Before me, a notary public, personally appeared Beverly J. McBride, on October 8, 1997, in her capacity as Secretary of The Andersons, Inc., and did sign the foregoing Certificate of Incumbency on behalf on The Andersons, Inc., as her and its free act and deed.

(SEAL)



Julie Ann Dibble
Notary Public

JULIE ANN DIBBLE
Notary Public, State of Ohio
My Commission Expires 8-20-2000

EXHIBIT A				
RIO GRANDE CHEMICAL				
199401-RGR1				
NEW CAR NUMBERS			OLD CAR NUMBERS	
1	RGC	23	AEX	23
2	RGC	24	AEX	24
3	RGC	25	AEX	25
4	RGC	26	AEX	26
5	RGC	27	AEX	27
6	RGC	28	AEX	28
7	RGC	29	AEX	29
8	RGC	30	AEX	30
9	RGC	31	AEX	31
10	RGC	32	AEX	32
11	RGC	33	AEX	33
12	RGC	34	AEX	34
13	RGC	35	AEX	35
14	RGC	36	AEX	36

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EXHIBIT B
RIO GRANDE CHEMICAL SALES COMPANY
199401-RGR1
STIPULATED LOSS VALUE PER CAR

DATE			VALUE	DATE			VALUE	DATE			VALUE
NOVEMBER	1994		\$22,500	MAY	1998		\$15,441	NOVEMBER	2001		\$8,382
DECEMBER	1994		\$22,332	JUNE	1998		\$15,273	DECEMBER	2001		\$8,214
JANUARY	1995		\$22,164	JULY	1998		\$15,105	JANUARY	2002		\$8,046
FEBRUARY	1995		\$21,996	AUGUST	1998		\$14,937	FEBRUARY	2002		\$7,878
MARCH	1995		\$21,828	SEPTEMBER	1998		\$14,769	MARCH	2002		\$7,710
APRIL	1995		\$21,660	OCTOBER	1998		\$14,601	APRIL	2002		\$7,542
MAY	1995		\$21,492	NOVEMBER	1998		\$14,433	MAY	2002		\$7,374
JUNE	1995		\$21,324	DECEMBER	1998		\$14,265	JUNE	2002		\$7,206
JULY	1995		\$21,155	JANUARY	1999		\$14,097	JULY	2002		\$7,038
AUGUST	1995		\$20,987	FEBRUARY	1999		\$13,928	AUGUST	2002		\$6,869
SEPTEMBER	1995		\$20,819	MARCH	1999		\$13,760	SEPTEMBER	2002		\$6,701
OCTOBER	1995		\$20,651	APRIL	1999		\$13,592	OCTOBER	2002		\$6,533
NOVEMBER	1995		\$20,483	MAY	1999		\$13,424	NOVEMBER	2002		\$6,365
DECEMBER	1995		\$20,315	JUNE	1999		\$13,256	DECEMBER	2002		\$6,197
JANUARY	1996		\$20,147	JULY	1999		\$13,088	JANUARY	2003		\$6,029
FEBRUARY	1996		\$19,979	AUGUST	1999		\$12,920	FEBRUARY	2003		\$5,861
MARCH	1996		\$19,811	SEPTEMBER	1999		\$12,752	MARCH	2003		\$5,693
APRIL	1996		\$19,643	OCTOBER	1999		\$12,584	APRIL	2003		\$5,525
MAY	1996		\$19,475	NOVEMBER	1999		\$12,416	MAY	2003		\$5,357
JUNE	1996		\$19,307	DECEMBER	1999		\$12,248	JUNE	2003		\$5,189
JULY	1996		\$19,139	JANUARY	2000		\$12,080	JULY	2003		\$5,021
AUGUST	1996		\$18,971	FEBRUARY	2000		\$11,912	AUGUST	2003		\$4,853
SEPTEMBER	1996		\$18,802	MARCH	2000		\$11,744	SEPTEMBER	2003		\$4,685
OCTOBER	1996		\$18,634	APRIL	2000		\$11,575	OCTOBER	2003		\$4,517
NOVEMBER	1996		\$18,466	MAY	2000		\$11,407	NOVEMBER	2003		\$4,348
DECEMBER	1996		\$18,298	JUNE	2000		\$11,239	DECEMBER	2003		\$4,180
JANUARY	1997		\$18,130	JULY	2000		\$11,071	JANUARY	2004		\$4,012
FEBRUARY	1997		\$17,962	AUGUST	2000		\$10,903	FEBRUARY	2004		\$3,844
MARCH	1997		\$17,794	SEPTEMBER	2000		\$10,735	MARCH	2004		\$3,676
APRIL	1997		\$17,626	OCTOBER	2000		\$10,567	APRIL	2004		\$3,508
MAY	1997		\$17,458	NOVEMBER	2000		\$10,399	MAY	2004		\$3,340
JUNE	1997		\$17,290	DECEMBER	2000		\$10,231	JUNE	2004		\$3,172
JULY	1997		\$17,122	JANUARY	2001		\$10,063	JULY	2004		\$3,004
AUGUST	1997		\$16,954	FEBRUARY	2001		\$9,895	AUGUST	2004		\$2,836
SEPTEMBER	1997		\$16,786	MARCH	2001		\$9,727	SEPTEMBER	2004		\$2,668
OCTOBER	1997		\$16,618	APRIL	2001		\$9,559	OCTOBER	2004		\$2,500
NOVEMBER	1997		\$16,449	MAY	2001		\$9,391				
DECEMBER	1997		\$16,281	JUNE	2001		\$9,222				
JANUARY	1998		\$16,113	JULY	2001		\$9,054				
FEBRUARY	1998		\$15,945	AUGUST	2001		\$8,886				
MARCH	1998		\$15,777	SEPTEMBER	2001		\$8,718				
APRIL	1998		\$15,609	OCTOBER	2001		\$8,550				

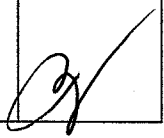


EXHIBIT C

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INSPECTION AND REPAIR REQUIREMENTS FOR REPAIRING CARS

This specification covers inspection and general repairs to all cars. Repairs will consist generally of items enumerated herein; but the absence of specific mention of certain parts does not mean they are not to be repaired in keeping with good maintenance and shop practices.

Completed car is to conform to all applicable AAR Interchange rules and/or owners specifications.

WHEELS

- A. Wheels returned to service in repaired cars (Chuck Browns cars only)

- (1) Flange - Minimum thickness - 1"
- (2) Flange - Maximum height - 1 3/8"
- (3) Rim - Minimum thickness -
1 1/8" for straight plate wheels
1 1/8" for curved plate wheels

AXLES

- A. Axles returned to service must comply with AAR Rules 42 and 43.

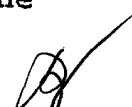
BEARINGS

- A. All roller bearings returned to service must comply with AAR Rules 36 and 37.

WHEEL AXLE SETS

- A. Back to back measurements must not be less than 52-15/16" or more than 53-3/8" (measured at three points).

TRUCK BOLSTERS

- A. Inspect for broken, cracked, bent, wrong size or capacity, worn or corroded condition where any section is reduced by 25% except as shown in Rule 47 of the AAR Field Manual.
- B. Building up of worn surfaces or welding of cracks is permitted only in cross-hatched area as stated in Rule 47 Figure D. of the AAR Field Manual. Weld cracks using 5/32" E7018 electrode on Grade "B" bolsters and E9018 or E10018 electrode or comparable wire on Grade "C" bolsters. Grind weld to former surface contour. Grade "C" material heat treat according to Interchange Rule 82. No heat treatment required on Grade "B" material.
- C. Scrap bolsters if not repairable per AAR Rule 47, Field Manual or a crack or a break is found in any part of the bolster, except cross-hatched section as shown in AAR Interchange Rule 47 or if bolster is worn or corroded
- 

where any section is reduced 25% except as shown in AAR Interchange Rule 47.

- D. Repair if the distance of the body center plate and truck bolster bowl exceed 1-3/8". On 14" bolster bowl not to exceed 14-7/8", on 16" bolster bowl 16-7/8".
- E. Worn gibs, repair by building up worn surfaces using 5/32" E7018 electrode or equivalent. On roller bearing trucks, restore lateral to 1/4" inside and 5/8" outside and grind smooth provided material remaining before the part is to be restored is equal to 60% of original section. All gibs should be 5/8" thick minimum.
- F. Gauge side bearings for 3/16" minimum to 5/16" maximum clearance. Adjust improper side bearing clearance by shimming (maximum 2-shims preferred under housing). Replace any side bearing roller (with flat spot of 1" or more) or roller housings which are broken or cracked. All 100-ton trucks must be equipped with double rollers or solid block side bearings.
- G. Remove all prohibited truck bolsters defined in AAR Interchange Rule 47 and/or 90.

SIDE FRAMES

- A. Inspect the following:
 - 1. Replace side frames broken, cracked, bent, patched, wrong size, and when worn or corroded more than 25% of original cross-section.
 - 2. Any crack or break not in cross-hatch area of side frame, as shown in AAR Interchange Rule 48, side frame should be scrapped, or if worn or corroded more than 25% of original cross-section, excluding column guide area.
 - 3. Worn column guides. Repair by building up worn surfaces using 5/32" E7018 electrode or equivalent. On roller bearing trucks, restore lateral to 1/4" inside and 5/8" outside, grind smooth.
 - 4. Column wear plates should be inspected and replaced if broken, missing or worn to 1/4" or less. Before replacing any column wear plates, all old welds should be removed and ground smooth.
- B. Remove all prohibited truck frames defined in AAR Interchange Rule 48 and/or 90.

CENTER PIN

- A. Inspect and renew if worn in excess of 1/4", bent, or broken. Apply 1-3/4" diameter pins to all cars.



ROLLER BEARING ADAPTERS (AAR Rule 37)**A. Inspect for following:**

1. Cracked, warped, wrong side, or broken adapter.
2. Excessive wear on crown.
3. Excessive thrusts shoulder wear. If worn more than .025" on either side, the adapter should be replaced.
4. Excessive bore wear. The machined relief must be 1/32-inch or greater depth. Bearing seats must be checked over full arch for excessive wear using adapter wear gage.
5. Adapters which are worn on one side between lugs from brake reaction, but which are otherwise satisfactory for reuse, should be reversed when reapplied into the frame pedestal, with the worn portion toward the springs. When both sides exceed 1/8" wear, do not reuse adapter.

BODY BOLSTER CENTER PLATE

- A. Inspect and scrap if center plate is found to be cracked or broken. Center plate may be built up and ground to original contour or replaced. Also, you should note that center plate is securely attached to carbody. Male portion of center plate

must extend not less than 1" into female portion. Check rim of bolster to see that not less than 1/8" minimum clearance exists between female and male portions of center plate after truck has been reapplied to car.

TRUCK SPRINGS

- A. Inspect and replace if found to be 8-5/8" for D3, 9-5/8" for D-5, as stated in AAR Interchange Rule 50. Truck springs indicating excessive corrosion or pitting must be replaced. Springs applied must be those standard to car.

COUPLERS (E60 and E67 SERIES)

- A. Remove and inspect all couplers replacing those found with the following:
1. Shank bent out of alignment with head 1/2" or more.
 2. Shank length measured from horn to butt of 21" or less for E60 series.
 3. Coupler rear keyslot to shank butt length measures 3-3/4" or less as determined according to AAR Interchange Rule 16.
 4. Shank worn on bottom surfaces 3/8" or more.



EXHIBIT C

pg. 4

5. Shank wear plate worn 1/8" or more, or broken or missing (on couplers originally equipped with wear plates).
6. Cracks extending beyond shaded area of Knuckle Pin Protector Bosses or cracks extending more than 3" in the sidewall shaded area, or cracked in any other portion is condemnable. (Shaded areas are shown in AAR Interchange Rule 16).
7. The contour is not acceptable if contour gage No. 25623-1 for 5-1/8" (points B&C contacting) will pass thru any portion in vertical plane between knuckle nose and guard arm, replace knuckle, knuckle lock and pin to improve contour Replacement of knuckle pin only as a means of restoring contour is not acceptable. (Shown in Field Manual Rule 16 Fig. A.).
8. Remove on sight all prohibited couplers defined in the Field Manual Rule 16.

COUPLER CROSS KEYS

- A. Replace all found with the following:
 1. Worn more than 5/16" on any surface.
 2. Broken.

UNCOUPLING LEVERS

- A. Inspect and repair as necessary to correct for the following:
 1. Must have 1/4" to 1/2" clearance between rod eye and locklift lever when coupler is centered and in fully locked position.
 2. Must not be bent or binding in support bracket.
 3. Uncoupling lever must not restrict lateral motion of coupler.

KNUCKLES


- A. Replace all knuckles found with the following:
 1. Cracked in any part.
 2. Worn so that gage No. 44057 will pass over any portion of nose. (Shown in Field Manual Rule 16 Fig. E).
 3. With pins bent or binding and thrower inoperative, replace as necessary to restore proper operation.
 4. Remove on sight all E50 knuckles or other knuckles not
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EXHIBIT C

proper as set forth in the Correct Repair Tables of Rule 16 and 17. pg.5

YOKES

A. Inspect and replace all yokes found with the following:

1. Cracked in any location (except rear keyslot).
2. Yokes with torch marks on strap.
3. Strap worn 1/4" or more.
4. Disposition: All yokes cracked completely thru any section or strap worn 1/4" or more should be scrapped.

FOLLOWER PLATES

A. Replace all followers found with the following:

1. Broken.
2. Worn 1/8" deep or more on front or back vertical surface.
3. Bent 1/4" or more.

DRAFT GEARS

A. All cars:

1. Draft gears will not be replaced unless their age is greater than ten (10) years from recondition stencil date (RTP or TP), or sixteen (16) years from cast date if there is not a stencil date. Also, replace if broken or compressed (loose fitting in a 24-3/4" pocket).


DRAFT STOPS

A. Inspect and replace as follows:


1. If worn 1/4" deep or more.
2. Apply using rivets, huck bolts or high strength bolts with elastic lock nuts.

COUPLER CARRIER

A. Inspect and repair as follows:

1. Replace or repair all coupler carriers that are bent or broken.
 2. Replace all broken or missing carrier wear plates.
 3. Check for proper coupler height.
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BRAKES

- A. Brake shoes should be replaced with what is standard to the car, leaving 1/2" minimum thickness for cast iron shoes and 3/8" for composition shoes.
 - B. Check to be sure brake beams (cast iron or composition) are standard to car.
 - C. All cars designed for composition shoes are to be stencilled for composition shoes and should reflect the proper thickness. (All hoppers use 2" composition shoes except Wabcopac.)
 - D. Test and lubricate all hand brakes.
 - E. Repair track test all cars.
 - F. Clearance on all brake rods and levers to be checked with air and hand brakes applied. Brake lever and angularity must be checked and adjusted as necessary.
 - G. Replace all air hoses, vent protector or other air brake components which are defective.
 - H. Slack adjuster operation must be tested and adjusted for proper tail length. (14")
 - I. All retainer valves must be three (3) position type.
 - J. All cotter keys must be in place and both ears bent.
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GENERAL INFORMATION

- I. Prior to jacking car always check friction casting height, side bearing clearance, and bolster bowl to center plate clearance.
- II. When car is jacked up and trucks removed check the following:
 - a. Center plate dimension to bolster bowl measurement. See if center plate is cracked.
 - b. Draft pockets (gears, yokes, tie straps, cracks in stops, coupler carriers, etc.)
 - c. Any cracks on car underbody (pedestals, sills, etc.)
 - d. Complete inspection of trucks as described. All measurements, cracks, wheels backing rings, wornout parts, etc..
 - e. Side bearing cages loose or broken (must be double roller or block).
- III. Outside carbody visual inspection:
 - a. All side stiffeners bent or broken beyond owners specifications.
 - b. Body bolster to top cover plate cracks.
 - c. Center sill to end sill cracks.
 - d. Any body plate bent in excess of 2".
 - e. Any loose rivets or hucks on any car part (safety appliances etc.).
 - f. Any broken or gouged ladder treads or hand holds.
 - g. Bent hand holds or ladder treads without 2" clearance.
 - h. Loose or broken bottom crossover steps.
 - i. Rod eye A & B.
 - j. Couplers A & B (cracks, spread), coupler knuckle pins broken.
 - k. Vibrator brackets for cracks.
 - l. All stencils correct.
 - m. All side bearing clearances.
 - n. Angle cocks and "U" bolts.



- o. Hand brakes (obsolete or inoperable). Bell cranks wrong or broken.

IV. Top visual inspection:

- a. All running boards tight and not broken.
- b. All running board brackets welded securely to car.
- c. Hatch covers not broken and gaskets in place.
- d. All locks operate and seal hatch covers properly.
- e. Any cracks in entire roof area.
- f. Excessive material on roof.
- g. Cracks or rusted thru spots in coaming.

V. Inside visual inspection:

- a. Any wet spot that might indicate cracks in roof.
- b. Cracks in divider walls.
- c. Any cracks on all slope sheets and diffusers.
- d. Ladder treads broken or loose.
- e. Remove any commodities left in car.

VI. Bottom visual inspection:

- a. Gate slides fully open and close by hand with bar.
- b. Capstans not worn out.
- c. All gates are closed and locked after repair and painting.

VII. Exterior paint:

- a. Commercial blast.
 - b. Apply high solids DTM paint.
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